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Department of Assessments

Fair, equitable, and understandable property valuations



Lloyd Hara
King County Assessor

Property Tax Exemption and Deferral Program

for Senior Citizens and Disabled Persons

Program Overview

If you are a senior citizen or disabled person, Washington State has two programs that may help you pay your property taxes and/or special assessments. This publication provides an overview of the property tax exemption and deferred programs.

- ❖ **Property Tax Exemption Program** – The exemption program provides a property tax reduction for qualified senior citizens and disabled persons in Washington State.
- ❖ **Property Tax Deferral Program** – The deferral program allows the State of Washington to pay your taxes by placing a lien on your property. Once you no longer qualify for the program, the property taxes paid by the state on your behalf will need to be paid back plus a **5%** interest charge.

Eligibility Requirement

Age and Disability

You must be at least **61 years old** on December 31 of the application year or unable to work because of a disability or a veteran with a service connected disability. Your application must include proof of your age or disability.

Ownership

You must own the home for which the exemption is claimed in total (fee owner), as a life estate (including a lease for life), or by contract purchase.

A home owned jointly by a married couple, a registered domestic partnership or by co-tenants is considered owned by each spouse, domestic partner, or co-tenant. Only one person must meet the age or disability requirements. A co-tenant is a person who resides with the claimant and has ownership interest in the residence. Income information for the co-tenant must be provided.

Residency

The property must be your primary residence at the time of your application is due. You must occupy the home for more than **six months** each year.

Rental: Your residence might qualify even if you are temporarily in a hospital, nursing home, boarding home or adult family home. You may rent your residence to another individual during your stay in one of these facilities above if the rental income is used to pay for the facility costs.

Vacation Home: Properties used as a vacation homes are not eligible for the exemption program.

Household Income

Your annual household disposable income may not exceed **\$35,000** to qualify for an exemption. If your household income is between **\$35,000** and **\$40,000**, you may qualify for the senior deferral program.

Household income includes the combined disposable income of you, your spouse or domestic partner, and any co-tenants. A co-tenant is a person who lives in your home and has an ownership interest in your home.

Computing Disposable Income

The maximum amount of annual income you may receive and qualify for the exemption is **\$35,000**. The disposable income you receive during the application year determines your eligibility - If you are filing a 2010 application requesting an exemption on your 2011 taxes. You must use your 2010 income to qualify.

Common Examples of Disposable Incomes

- Social Security and Railroad Retirement Benefits
- Military pay and benefits other than attendant-care and medical-aid payments.
- Veterans benefits other than attendant-care and medical-aid payments. Starting in 2009 tax roll year, you may exclude your veteran's disability compensation and your dependency and indemnity compensation.
* The 2008 tax roll year requires 100% service connected disability and disability income is included.
- Pension Receipts: Including distributions from retirement bonds, individual retirement accounts, and Keogh plans.
- Business or Rental: Depreciation cannot be deducted and you may not deduct business or rental losses or use those losses to offset other income.
- Interest and dividend receipts

Note: VA disability payments and reverse mortgages will not be used to calculate your qualifying income level, but you will be required to provide the documentation showing the total amount received or withdrawn for the year to verify the source of your living expenses.

Do I have to send in a new application each year?

For the **Senior Citizen Deferral** Program, you must reapply each year.

For the **Senior Citizen Exemption** Program, you must renew your exemption once every **six years** unless there is a change in your status or income. (marriage, divorce, or death of spouse).

Renewal applications will be sent to you for each program at the time of renewal.

What should I do if my income changes?

If your income changes, please contact the King County Assessor's Office at **206-296-3920** and we can assist you in filing a Change in Status Report.

Common Change in Status

- Death of the eligible application
- Change in income
- Sale or transfer of the property
- Move to an alternative primary residence
- Change in disability status
- Change in zoning or land use designation if your principle residence includes more than one acre of land.

If your income increase and goes over **\$35,000**, you must notify the Department of Assessments so we can cancel your exemption for one year.

We will reinstate if your exemption if your income is below **\$35,000** the next year.

Laws and Rules

Revised Code of Washington (RCW)
Chapter 84.36 379-389 – Exemption (Property Tax)

Washington Administrative Code (WAC) Chapter
458-16A-100 through 150 - Senior Citizen/Disabled Persons Property, Tax Exemption

Property Tax and Levies Eligible for Exemption

The value of your residence is “frozen” as of **January 1, 1995** or **January 1** of the initial application year.

Example: If you meet exemption qualifications in the 2010 application year, the assessed value of your residence will remain at the 2010 level, unless there is a change in your status or new construction.

The King County Assessor will continue to establish the property market value but you will only billed for taxes on the frozen value – unless the market value is lower than the previously frozen value.

If your annual income for the application year is **\$35,000 or less**, your home will be exempt from all excess and special levies. Excess and special levies are in addition to your regular levies, and require voter approval and provide monies for specific purposes (i.e. school bonds, maintenance and operation levies.)

If your income is **\$30,000 or less**, a portion of the regular levy amount may be exempt.

Qualifying Income Brackets

Income	Exemption
\$30,001 - \$35,000	Standard <i>Exempted from all excess levies and no reduction to assessed value.</i>
\$25,001 - \$30,000	Partial <i>Exempted from regular tax levies on the first \$50,000 of assessed value or 35%, whichever is greater, to a maximum limit of \$70,000 and exempt from all excess levies.</i>
\$25,000 or less	Full <i>Exempt from regular tax levies on the first \$60,000 or 60% of assessed value, whichever is greater, and exempt from all excess levies.</i>

Refunds for Prior Years

If you paid your prior years' taxes because of a mistake, oversight, or was not aware of the exemption program, you may apply for a refund by filing an application for refund with our office. You must provide documents to show that you would have met all of the qualification at the time of application for previous years - Separate applications must be submitted for each of the tax years. Applicants must file within three years of the date the taxes were due, refunds will not be made beyond the three years.

Frequently Asked Questions?

Q. If I sell my home, will the new owners continue to receive the exemption?

The exemption will continue through your period of ownership. The taxes will be recalculated without the exemption for the remainder of the tax year and the new owner will be billed for the portion of taxes for his/her period of ownership.

Q. Will my exemption transfer over to a different residence?

If you sell, transfer, or are otherwise displaced from your residence – you may transfer your exempt status to a replacement residence. Please note that you may not receive an exemption on more than the equivalent of one residence in any year. When an exemption is transferred to a new residence, the value of the new residence is frozen as of January 1 of the year of change.

Q. In the event of my death, will my surviving spouse or domestic partner continue to receive the exemption?

Your surviving spouse or domestic partner may continue to receive the exemption if he or she is at least **57 years old** and meets all of the other eligibility requirements.

Q. How long before I'm notified that I am qualified for the exemption?

If all required information is provided, it should take approximately **4 - 6 weeks** to process an application. If you are accepted into the program, you will receive a corrected tax bill.

Q. If my application is denied, what can I do?

If you feel your application has been denied in error. You have the right to appeal the decision to the King County Board of Equalization at **206-296-3496**. (The Board of Equalization must receive your appeal by **July 1**, or within **60 days** of when the denial was mailed, whichever date is later.)

Q. If I need a copy of the application or other forms, how can I get them?

You can contact the King County Assessor's Office at **206-296-3920** and we can provide you with the appropriate forms OR you can download them from our website at www.kingcounty.gov/assessor/forms.

For More Information?

Contact Us	
Department of Assessments	500 Fourth Avenue, Seattle, WA 98104-2384
Visit our web site at	www.kingcounty.gov/Assessor
E-mail us at	assessor.info@kingcounty.gov
General Questions	206-296-7300 TTY Relay 711 or 800-833-6388 FAX 206-296-5107
Senior & Disability Exemption Senior & Disability Deferrals	206-296-3920 206-205-5759